

Testimony of Omnicare CT
Submitted to the Public Health Committee
HB 5516

An Act Concerning Prescription Drug Administration in Nursing Home Facilities
March 21, 2012

I would like to thank the Committee for the opportunity to speak in support of HB 5516, An Act Concerning Prescription Drug Administration in Nursing Home Facilities. My name is Mike Gemma and I am the Pharmacy Manager, Pharmacist in Charge at Omnicare of CT. Omnicare is a pharmacy located in Cheshire, CT which services skilled nursing homes, group homes and assisted living residents. The intent of this bill is to help nursing homes manage their prescription costs for those patients who have just recently transitioned from a hospital to a nursing home facility.

As you may be aware, Medicare assigns different coverage's, such as Medicare- B, Medicare- D and Medicare- A. Patients who transfer from a hospital to a skilled nursing home are generally covered under Medicare A for a maximum of 100 days. This is basically transition coverage until the patient is approved by either a Medicare - D plan or Medicaid.

What is important is that the Medicare - A reimbursement to the nursing home during this transition is a capped fee for services, which includes prescriptions. The nursing home is billed by the pharmacy while the patient is on Medicare-A. Therefore the nursing home is responsible for the cost of prescriptions while the patient is on Medicare-A. Normally prescription costs are managed by the insurance companies through formularies (Preferred Drug Lists) and other cost containment processes. In the case of patients on Medicare -A , cost effective prescription management rests with the internal processes set up by the nursing home. HB 5516 provides facilities with an additional cost effective tool, namely prescription drug formularies. These formularies are a standard of drug utilization management used by every payer of prescription drugs, including hospitals, Medicaid, Medicare D and Commercial benefit plans. They allow for the prescribing practitioner to permit cost effective substitutions in accordance with the facility's clinical protocol, similar to a standard of practice used by hospitals.

This bill provides nursing homes with a well established and effective approach to managing prescription costs where the demand and pressures to manage healthcare costs have never been greater.

Thank you for your time and consideration in passing HB 5516.

Very truly yours,

Mike Gemma, RPh, MBA